

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:) Chapter 11
BIG LOTS, INC., et al.¹,)
Debtors.) Case No. 24-11976 (JKS)
) (Jointly Administered)
) Obj. Deadline: March 4, 2025 at 4:00 p.m. (ET)
) Hearing Date: March 25, 2025 at 10:00 a.m. (ET)

MOTION TO ALLOW ADMINISTRATIVE-EXPENSE CLAIM

COMES NOW Conagra Foods Sales, LLC (“Conagra”), a creditor and party-in-interest in the above-captioned matter, and hereby moves this Court for entry of an order for allowance and immediate payment of its administrative-expense claim under 11 U.S.C. § 503(b)(1), in the amount of \$146,894.98. In support of this motion Conagra states as follows:

SUMMARY

1. Conagra shipped to the Debtors the various types of grocery products described in Exhibit A hereto (the “Goods”), which the Debtors received after they filed their petition in this case. The Debtors have failed to pay for the Goods.
2. Conagra is entitled to an order allowing an administrative-expense claim for the value of the Goods, i.e., \$146,894.98, on the basis that the Goods were necessary for the preservation of the Debtors’ estate under Section 503(b)(1).

¹ The debtors and debtors in possession in these chapter 11 cases, along with the last four digits of their respective employer identification numbers, are as follows: Great Basin, LLC (6158); Big Lots, Inc. (9097); Big Lots Management, LLC (7948); Consolidated Property Holdings, LLC (0984); Broyhill LLC (7868); Big Lots Stores - PNS, LLC (5262); Big Lots Stores, LLC (6811); BLBO Tenant, LLC (0552); Big Lots Stores - CSR, LLC (6182); CSC Distribution LLC (8785); Closeout Distribution, LLC (0309); Durant DC, LLC (2033); AVDC, LLC (3400); GAFDC LLC (8673); PAFDC LLC (2377); WAFDC, LLC (6163); INFDC, LLC (2820); Big Lots eCommerce LLC (9612); and Big Lots F&S, LLC (3277). The address of the debtors’ corporate headquarters is 4900 E. Dublin-Granville Road, Columbus, OH 43081.

JURISDICTION AND VENUE

3. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue before this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (B), (M), and (O).

4. The statutory predicates for the relief requested are 11 U.S.C. §§ 105, 503(a), 503(b)(1)(A), and 507(a)(2).

BACKGROUND

5. On September 9, 2024 (the “Petition Date”), the Debtors commenced these cases in the United States Bankruptcy Court for the District of Delaware under Chapter 11 of the Bankruptcy Code.

6. After the bankruptcy filing, the Debtors submitted to Conagra purchase orders (the “Purchase Orders”) for the purchase of the Goods.

7. Pursuant to the Purchase Orders, Conagra manufactured and shipped the Goods to the Debtors, issuing the invoices that are attached hereto as Exhibit A. Attached hereto as Exhibit B are the proofs of delivery for the shipments of the Goods to the Debtors.

8. The shipments containing the Goods are summarized in the table below:

Invoice No.	Buyer PO#	Shipped Date	Amount
9034760379	0095670613	11/30/24	\$74,827.22
9034764804	0095670614	12/01/24	\$72,067.76
		Total	\$146,894.98

9. The Goods were received by the Debtors after the petition date.

ARGUMENT

10. Section 503(b)(1) of the Bankruptcy Code provides in relevant part:
 - (b) After notice and hearing, there shall be allowed, administrative expenses, other than claims allowed under section 502(f) of this title, including—
 - (1)(A) the actual necessary costs and expenses of preserving the estate....

11 U.S.C § 503(b)(1)(A).

11. An expense that is actual and necessary to preserving the estate is to be allowed as an administrative expense. *Pa. Dep’t of Envt'l Res. v. TriState Clinical Labs, Inc.*, 178 F.3d 685, 689 (3d Cir. 1999). The U.S. Supreme Court has stated that such costs “should include costs ordinarily incident to operation of a business, and not be limited to costs without which rehabilitation would be impossible.” *Reading Co. v. Brown*, 391 U.S. 471, 476-77 (1968).

12. “To establish an administrative claim, a claimant must show that (1) there was a post-petition transaction between the claimant and the estate, and (2) those expenses yielded a benefit to the estate.” *In re Mallinckrodt PLC*, 2021 WL 4876908 at *6 (D. Del. October 19, 2021).

13. In this case, the Debtors issued the Purchase Orders to Conagra post-petition, in the ordinary course of their business. Conagra filled the orders by manufacturing and shipping to the Debtors the Goods described in the invoices attached hereto as Exhibit A. The Debtors received the Goods, as indicated by the proofs of delivery in Exhibit B. The Goods benefited the estate by enabling the Debtors to continue operating in the ordinary course of business post-petition.

14. Conagra therefore produced and shipped the Goods to the Debtors pursuant to post-petition contracts. The Debtors received benefit from the transactions because they accepted

and sold Goods in the ordinary course of their business. The transactions enabled them to continue conducting post-petition business operations, but they have failed to pay for the Goods. Therefore, the amounts due under the invoices should be allowed as an administrative claim against the Debtors.

WHEREFORE, Conagra respectfully requests that the Court order the allowance and immediate payment of Conagra's administrative-expense claim in the amount of \$146,894.98 and grant such other and further relief as this Court may deem just and proper.

Dated: February 18, 2025

GELLERT SEITZ BUSENKELL & BROWN, LLC

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